

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE**

COMPLIANCE FILING IN THE MATTER OF	)	
THE APPLICATION OF DELMARVA	)	
POWER & LIGHT COMPANY FOR	)	
APPROVAL OF QUALIFIED FUEL CELL	)	
PROVIDER PROJECT TARIFF	)	PSC DOCKET NO. 19-0413
(FILED JUNE 20, 2019)	)	

**ORDER NO. 9420**

**AND NOW**, this 16<sup>th</sup> day of July 2019, the Delaware Public Service Commission (the “Commission”) determines and orders the following:

**WHEREAS**, on July 7, 2011, the Governor of the State of Delaware signed into law certain amendments (78 Del. Laws c. 99) (July 7, 2001) (the “Amendments”) to the Renewable Energy Portfolio Standards Act, 26 *Del. C.* §§ 351-364 (“REPSA”) that added Delaware-manufactured fuel cells to REPSA and allowed energy output from such fuel cells to be considered a resource eligible to fulfill a portion of a Commission-regulated electric company’s renewable energy credit requirements under REPSA; and

**WHEREAS**, the Amendments were part of a comprehensive State economic development and renewable energy program in which a new form of base load generation was added in Delaware; and

**WHEREAS**, the Amendments created a regulatory framework whereby a Commission-regulated electric company and a Qualified Fuel Cell Provider (“QFCP”)<sup>1</sup> will jointly submit tariffs<sup>2</sup> that enable and obligate a Commission-regulated electric company, as the agent for collection and disbursement, to collect from its customers non-bypassable charges for costs

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<sup>1</sup> A “Qualified Fuel Cell Provider” is defined in 26 *Del. C.* § 352(16).

<sup>2</sup> The requirements for the tariffs are set forth in a previous Commission Order in PSC Docket 11-362, PSC Order No. 8025 (Sept. 6, 2011). *See also* 26 *Del. C.* § 364(b) and (d).

incurred for incremental site preparation, filing, administrative, and other costs incurred by the QFCP, reduced by compensation for any revenues received from PJM<sup>3</sup> or its successors at law from the output of the Qualified Fuel Cell Provider Project ("QFCPP");<sup>4</sup> and

**WHEREAS**, in accordance with the Amendments, the Commission was directed to either approve or reject all tariff filings as proposed, without alteration or the imposition of any condition or conditions; and

**WHEREAS**, on August 19, 2011, Delmarva Power & Light Company ("Delmarva") filed an application in Docket No. 11-362 for approval of a new electric tariff for Service Classification QFCP-RC and a new gas tariff for Service Classification LVG-QFCP-RC pursuant to the Amendments; and

**WHEREAS**, on October 18, 2011, the Commission issued Order No. 8062, which approved Delmarva's tariff filing and determined that the Commission would enter a formal Findings and Opinion in support of Order No. 8062 at a later date; and

**WHEREAS**, on December 1, 2011, the Commission issued Order No. 8079, which, among other things, adopted Order No. 8062, set forth the Commission's formal Findings and Opinion approving Delmarva's application for a new electric tariff and new gas tariff, and adopted the allowance adjustments made by the Secretary of the Delaware Department of Natural Resources

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<sup>3</sup> "PJM" means the regional transmission organization that coordinates the movement of wholesale electricity in the PJM region, or its successors at law. *See* 26 *Del. C.* § 352(14).

<sup>4</sup> Under 26 *Del. C.* § 352(17), a "qualified fuel cell provider project" means a fuel cell power generation project located in Delaware owned and/or operated by a qualified fuel cell provider under a tariff approved by the Commission pursuant to 26 *Del. C.* § 364(d).

and Environmental Control ("DNREC") to the Renewable Energy Credit ("REC")<sup>5</sup> and Solar Renewable Energy Credit ("SREC");<sup>6</sup> and

**WHEREAS**, pursuant to the Commission-approved Tariff for Service Classification QFCP-RC, Delmarva will file on a monthly basis with the Commission a copy of the computation of the Service Classification QFCP-RC Charge ("QFCP-RC Charge") with current factors and reconciliation factors at least thirty days prior to applying such QFCP-RC Charge on customers' bills. *See* P.S.C. Del. No. 8 – Electric, Original Leaf No. 74d, Section F; and

**WHEREAS**, on June 20, 2019, Delmarva submitted its eighty-eighth monthly compliance filing (the "Compliance Filing") to account for the varying QFCP-RC Charge to be billed in August 2019, including the typical charges and calculations. In addition, the reconciliation factors (true-ups) of the billing revenues, PJM revenues, and operational costs for the month of May were included in the August 2019 QFCP-RC Charge; and

**WHEREAS**, the August 2019 QFCP-RC Charge, which is set forth on the attached **Exhibit "A."** will be effective for bills issued between August 1, 2019, and August 31, 2019, absent a determination of manifest error by the Commission; and

**WHEREAS**, the Commission Staff ("Staff") reviewed the Compliance Filing, the calculations supporting the August 2019 QFCP-RC Charge, and the source documents supporting the true-up of the May 2019 QFCP-RC Charge, and Staff observed no manifest errors in the Compliance Filing or the calculations therein; and

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<sup>5</sup> Under 26 Del. C. § 352(18), a "Renewable Energy Credit" or "REC" means a tradable instrument that is equal to 1 megawatt-hour of retail electricity sales in the State that is derived from eligible energy resources and that is used to track and verify compliance with the provisions of the RPS.

<sup>6</sup> Under 26 Del. C. § 352(25), a "Solar Renewable Energy Credit" or "SREC" means a tradable instrument that is equal to 1 megawatt-hour of retail electricity sales in the State that is derived from solar photovoltaic energy resources and that is used to track and verify compliance with the provisions of RPS.

**WHEREAS**, because at this time Staff found no manifest errors, it recommends that the August 2019 QFCP-RC Charge be permitted to take effect for Delmarva customer bills issued between August 1, 2019 and August 31, 2019; however, this recommendation is subject to two requirements: (i) Delmarva shall provide to Staff, with each future Compliance Filing under REPSA, all documents which Staff requested from Delmarva as part of the review of this and any prior Compliance Filings, including, but not limited to, Delmarva's workpapers; and (ii) this recommendation is subject to the requirement that Staff reserves the right to perform more detailed audits of any and all months included in the Compliance Filing or any future tariff filings made to adjust the QFCP-RC Charge; and

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE  
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. The Commission approves Delmarva's June 20, 2019, Compliance Filing, including the August 2019 QFCP-RC Charge, which is listed on Exhibit "A." attached hereto.
2. Delmarva shall provide to Staff, with each future Compliance Filing made pursuant to REPSA, all documents that Staff requests or has requested from Delmarva as part of its review of this Compliance Filing, including, but not limited to, Delmarva's workpapers.
3. Staff hereby reserves the right to perform a more detailed audit of any months included in Delmarva's June 20, 2019, Compliance Filing and any and all months included in the Compliance Filing or any future tariff filings made to adjust the QFCP-RC Charge. For any future claimed Tariff K Payment,<sup>7</sup> Delmarva must provide detailed information on the outage events,

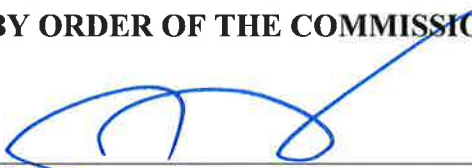
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<sup>7</sup> See Delmarva Power & Light Company, P.S.C. Del. No. 8 - Electric, Original Leaf No. 74h – 74j, Sections K(1) to K(7), which set forth the requirements for when Delmarva must collect from its customers and make disbursements to the QFCP Generator in the case of a Force Majeure Event or Forced Outage Event.

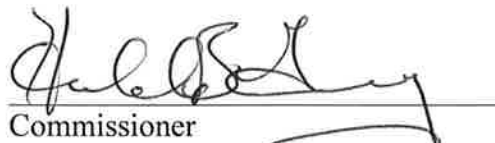
including, but not limited to, all the information set forth in the outage event log Staff previously provided to Delmarva, before any recovery of a Tariff K payment will be considered.

4. The Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.


**BY ORDER OF THE COMMISSION:**

  
Chairman

  
Commissioner

  
Commissioner

  
Commissioner

  
Commissioner

ATTEST:

  
Secretary



**EXHIBIT "A"**

**August 2019 QFCP-RC Charge**

## EXHIBIT A

### AUGUST QFCP-RC RATE \*

Service Classification	<u>\$ per kWh</u>
Residential	\$0.003489
Residential- Space Heating	\$0.003489
Residential Time-of-Use "R-TOU"	
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$0.003489
Small General Service - Secondary Non-Demand "SGS-ND"	\$0.003489
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$0.003489
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$0.003489
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$0.003489
Medium General Service - Secondary "MGS-S"	\$0.003489
Large General Service - Secondary "LGS-S"	\$0.003489
General Service - Primary "GS-P"	\$0.003420
General Service - Transmission "GS-T"	\$0.003340
Outdoor Lighting PL	\$0.003489
Outdoor Lighting SL	\$0.003489

\* Effective January 2015 QFCP Filing the Residential Time-of-Use (R-TOU) rate class has been deleted in accordance with Delmarva Power & Light's Tariff leaf changes submitted on May, 1, 2014 associated with PSC Docket No. 13-115.